

Public Utilities Commission

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY FUND CATEGORY					
Dedicated	4,476,800	4,200,800	4,873,200	5,154,400	5,262,700
Federal	68,500	54,800	71,200	71,300	73,300
Total:	4,545,300	4,255,600	4,944,400	5,225,700	5,336,000
Percent Change:		(6.4%)	16.2%	5.7%	7.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,312,600	3,184,700	3,500,600	3,691,100	3,803,500
Operating Expenditures	1,196,900	1,035,400	1,413,700	1,473,100	1,471,000
Capital Outlay	35,800	35,500	30,100	61,500	61,500
Total:	4,545,300	4,255,600	4,944,400	5,225,700	5,336,000
Full-Time Positions (FTP)	49.00	49.00	49.00	49.00	49.00

Department Description

The Idaho Public Utilities Commission was established by the 12th Session of the Idaho Legislature and was organized on May 8, 1913. The Commission oversees the intrastate operation of investor-owned electric, gas, water, telecommunications utilities, pipelines, and railroads. The Commission does not regulate publicly owned municipal, or cooperative utilities. The Commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe and adequate rail services within the state.

After the legislature removed the motor carrier function from the Commission, the Administration, Utilities and Regulated Carriers programs were combined into one program for budgeting purposes. The commissioners are supported by two policy analysts, legal counsel, the utilities division, and an administrative division.

The Administration Division has management, fiscal, personnel and public affairs, pipeline, and railroad carrier responsibilities. It provides support services for the agency (Sections 61-301:337, Idaho Code). The railroad carriers function is responsible to assure that railroads operate safely and that the public is provided adequate rail service (Section 61-509, Idaho Code).

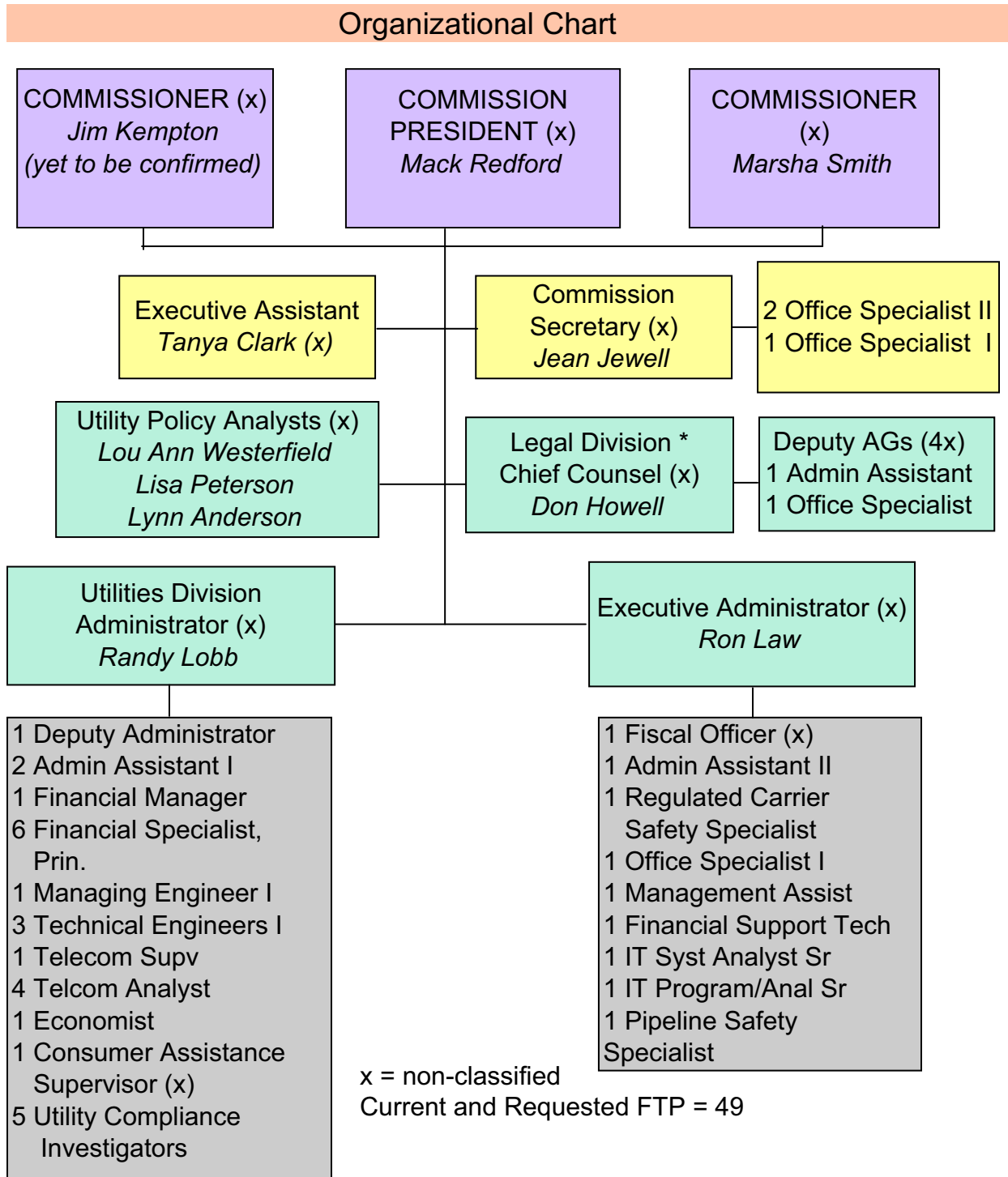
The Utilities Division includes: Accounting, Engineering, Economic, Telecommunications, and Consumer Assistance. The Accounting Section advises the Commission on auditing, accounting, financing, income tax and security issues. It participates in all rate cases to determine proper income, expenses, rate bases and revenue requirements. The Engineering, Economic, and Telecommunications Sections are primarily responsible for economic and engineering analysis of rates, rate design, and cost of service and technical evaluations of company proposals. The Consumer Assistance Section is responsible for handling customer complaints and specialized information requests.

Programs are funded by the Public Utilities Commission Fund which consists of fees collected from the regulated utilities (telephone, power, natural gas, and water corporations) in the amount of not more than 0.3% (currently 0.2491%) of their intrastate revenues (Section 61-1004, Idaho Code) and from railroad corporations not more than 1% (currently 0.7623%) of the gross operating revenues derived from the intrastate business. In prior years, General Fund expenditures for the salaries and benefits of the commissioners (Section 61-1009, Idaho Code) were reimbursed to the General Fund at year end from the Public Utilities Commission Fund. However, beginning in FY 2001, the law was changed and Commissioner's salaries are now paid from the PUC Fund.

Public Utilities Commission

Agency Profile

Analyst: Bybee



*Note: Attorneys General are paid through o.e. by contract with the AG's office and do not count as FTPs in this agency.

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Strategic Planning Act Performance Measures

Selected Measures	FY 2004	FY 2005	FY 2006	FY 2007
1. Number of cases completed	193	216	194	169
2. Number of complaints/inquiries received by Commission	3,689	2,958	2,731	2,640
3. Avg. # of days to resolve complaints	6	6	5	5
4. Number of gas system facility visits	25	23	22	48
5. Number of rail hazardous material inspections	66	7	134	180
6. Number of rail abandonment investigations	2	2	1	0

Fund Information	FY 2005 Act.	FY 2006 Act.	FY 2007 Act	FY 2008 Est.
Public Utilities Commission Fund				
Beginning Free Fund Balance	\$4,438,100	\$4,534,800	\$4,869,800	5,244,000
Encumbrances as of July 1	11,200	0	0	0
Regulatory Utility Fees (.2486% of intrastate rev)	4,041,900	4,335,600	4,430,300	4,492,100
Utilities Security Issuance Fees	1,200	9,100	2,300	2,000
Railroad Regulatory Fees (.8171% gross op rev)	130,200	151,500	108,600	107,300
Pipeline safety program grant	86,300	7,900	33,800	0
Misc. Receipts (filing fees, copy sales, etc.)	6,500	1,400	0	3,500
Total Available for Year	8,715,400	9,040,300	9,444,800	9,848,900
Cash Expenditures	4,168,200	4,181,700	4,200,800	4,873,200
Encumbrances as of June 30	11,200	(11,200)	0	0
Ending Free Fund Balance*	\$4,536,000	\$4,869,800	\$5,244,000	\$4,975,700

*The PUC needs to retain a Free Fund Balance of about 50% of the appropriation for cash-flow purposes.

Fund Sources/Uses

FY 2008 Original App.

Public Utilities Commission Fund (229-20): Each public utility and railroad corporation annually pays a special regulatory fee in such amount as determined by the Commission. The fee shall not exceed one percent of the gross operating revenues derived from the intrastate business of each railroad corporation and shall not exceed three-tenths of one per cent of the gross operating revenues derived from the intrastate business of each public utility. This fund pays the costs of regulating utilities subject to the Commission's jurisdiction.

\$4,873,200

Federal Grants (348-00): Federal monies used for physical inspection of intrastate natural gas pipelines and to evaluate pipeline operating procedures.

\$71,200

\$4,944,400

Public Utilities Commission

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	49.00	0	4,944,400	49.00	0	4,944,400
Removal of One-Time Expenditures	0.00	0	(30,100)	0.00	0	(30,100)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2009 Base	49.00	0	4,914,300	49.00	0	4,914,300
Benefit Costs	0.00	0	117,400	0.00	0	117,400
Inflationary Adjustments	0.00	0	23,200	0.00	0	21,100
Replacement Items	0.00	0	61,500	0.00	0	61,500
Statewide Cost Allocation	0.00	0	81,200	0.00	0	81,200
Change in Employee Compensation	0.00	0	28,100	0.00	0	140,500
FY 2009 Program Maintenance	49.00	0	5,225,700	49.00	0	5,336,000
1. Employee Retention	0.00	0	0	0.00	0	0
FY 2009 Total	49.00	0	5,225,700	49.00	0	5,336,000
Change from Original Appropriation	0.00	0	281,300	0.00	0	391,600
% Change from Original Appropriation			5.7%			7.9%

Public Utilities Commission

Analyst: Bybee

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	49.00	0	4,873,200	71,200	4,944,400
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	0.00	0	(30,100)	0	(30,100)
Governor's Recommendation	0.00	0	(30,100)	0	(30,100)
Base Adjustments					
This decision unit adjusts FTP to actual allocation related to the Pipeline Safety Program.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
FY 2009 Base					
Agency Request	49.00	0	4,843,100	71,200	4,914,300
Governor's Recommendation	49.00	0	4,843,100	71,200	4,914,300
Benefit Costs					
Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves.					
Agency Request	0.00	0	115,900	1,500	117,400
The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year.					
Governor's Recommendation	0.00	0	115,900	1,500	117,400
Inflationary Adjustments					
This inflationary adjustment is arrived at by subtracting one-time funding and statewide allocation plan costs from the base and calculating a customized increase for all remaining operating costs. This reflects a 0.25% increase in operating expenditures and a 9.3% contractual change for rent of office space.					
Agency Request	0.00	0	25,100	(1,900)	23,200
Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.					
Governor's Recommendation	0.00	0	23,000	(1,900)	21,100
Replacement Items					
Replacement items include LAN equipment and components \$14,400, a laptop computer \$1,500, 16 computer towers (\$800 each/ \$12,800 total), 16 computer monitors (\$300 each/ \$4,800 total), and an upgrade for the telephone system and components \$28,000.					
Agency Request	0.00	0	61,500	0	61,500
Governor's Recommendation	0.00	0	61,500	0	61,500
Statewide Cost Allocation					
This decision unit reflects statewide cost allocation for Attorney General fees for \$73,700; risk management cost increases for \$2,700; and State Controller's fees for \$4,800.					
Agency Request	0.00	0	81,200	0	81,200
Governor's Recommendation	0.00	0	81,200	0	81,200
Change in Employee Compensation					
Agencies were instructed to input a CEC based on a 1% calculator.					
Agency Request	0.00	0	27,600	500	28,100
The Governor recommends a compensation increase of 5% to be distributed based on merit.					
Governor's Recommendation	0.00	0	138,000	2,500	140,500
FY 2009 Program Maintenance					
Agency Request	49.00	0	5,154,400	71,300	5,225,700
Governor's Recommendation	49.00	0	5,262,700	73,300	5,336,000

Public Utilities Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Employee Retention					
The Idaho Public Utilities Commission requests an ongoing shift of \$45,000 from operating expenditures to personnel costs. The commission has experienced unusually high turnover among its engineering staff and this request will help to alleviate some of those losses. The market rate for engineers suggest an increase is necessary to retain staff and advertise at competitive rates.					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends this transfer of funds.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2009 Total					
Agency Request	49.00	0	5,154,400	71,300	5,225,700
<i>Governor's Recommendation</i>	<i>49.00</i>	<i>0</i>	<i>5,262,700</i>	<i>73,300</i>	<i>5,336,000</i>
Agency Request					
Change from Original App	0.00	0	281,200	100	281,300
% Change from Original App	0.0%		5.8%	0.1%	5.7%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>389,500</i>	<i>2,100</i>	<i>391,600</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>8.0%</i>	<i>2.9%</i>	<i>7.9%</i>